

17 December 1959

MEMORANDUM FOR: Mr. Warner

SUBJECT: Separation Allowances

1. The undersigned discussed the question of future legislative action concerning the granting of separation allowances "whenever granting of such allowances might result in less cost to the Government" with GAO and State.

2. Mr. Carl P. Friend, General Accounting Office (Code 130, 14327) felt that on first impression such authority might be found objectional by the General Accounting Office because of the possibility of reverse application, that is, that such authority be utilized to restrict travel of dependents. This was stated as being an informal opinion and that if a definitive answer is desired it might be best to talk to [redacted] Assistant General Counsel [redacted] STAT

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3. Dayton Hull, Allowance Staff, State Department, stated that his immediate impression was that the Department would hesitate to open up the payment of separation allowances in the absence of definite proof that individuals were being harmed by the present format. He was frank to admit that in his opinion the Department would take a rather negative attitude at the present time for the reason that they are happy with the present situation. They are handling a large number of claimants and needless to say there are a large number of turndowns for failure to meet the regulatory requirements. However, at present, information would indicate that the individuals are better off receiving the education and other allowances than they would be receiving a separation allowance.

As for the concept of authorizing the payment of an allowance wherever the payment of such allowance might be cheaper than alternative benefits, it was Mr. Hull's opinion that such a concept possibly would be related to only two areas: storage of goods and separation allowance. He could think of no other.

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cc: [redacted] Personnel

[redacted] Assistant General Counsel

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